GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2405
ANSWERED ON:19.03.2002
PRIVATISATION OF PETROLEUM SECTOR
MANIKRAO HODLYA GAVIT;N.N. KRISHNADAS;NIVEDITA MANE;UMMAREDDY VENKATESWARLU

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government propose to privatise petroleum sector;

(b) if so, the names thereof;

(c) the details of the Government holdings therein; and

(a) the cost of each PSU and the details about the steps taken by the Government to protect the interests of the employees?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH-EASTERN REGION (SHRI ARUN SHOURIE)

(a)&(b) Disinvestment in Public Sector Undertakings is a continuous process.As a part of the process, Government keeps considering proposals for disinvestment in various Public Sector Undertakings from time to time.The proposals are considered through Inter-Ministerial consultation and final decisions are taken. The Government has decided `in principle` to disinvest in Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL).

(c) As on date, Government holds 66.20% of the equity of BPCL and 51.01% of the equity of HPCL.

(d) At the time of disinvestment, valuation of the concerned PSUs is done through various methodologies so as to arrive at a reserve price. Similar exercise will be undertaken in the case of both BPCL and HPCL as Government proceeds with the disinvestment exercise. Protection of the interests of the employees is an integral part of the disinvestment policy. This is ensured by making appropriate provisions in the Shareholders Agreement entered with the concerned strategic partners.